

The Fruitland City Council met in Regular Session at City Hall on Tuesday, January 14, 2020 at 7:00 p.m. with the following members present:

President Darlene Kerr, Treasurer Ray Carey, Councilor Mark Miciotto, Councilor R. Lee Outen and Councilor Mike Hammond.

Also present at the table were:

City Manager John Psota, Chief Brian Swafford, Deputy Treasurer Mark Swift, City Clerk Raye Ellen Thomas and City Solicitor Andrew Mitchell.

Our guests included:

Public Works Director Michael Gibbons, Bob Marvel, Katherine McAllister from GMB, Officer Swanger, Officer Plummer, JP and Stephanie Merritt, Mac Pusey, Amy Swanger, and three unidentified persons.

At 7:00 p.m. President Kerr called the regular Council meeting to order. President Kerr led all in prayer, and recitation of the Pledge of Allegiance.

President Kerr acknowledged receipt of the minutes of the Regular Meeting of December and called for additions or corrections. As there were none, **Councilor Hammond moved to adopt the minutes as presented; Councilor Outen seconded, and the motion passed on a vote of five to zero.**

Reports- Treasurer, City Manager and Department Heads

Treasurer Carey delivered the Treasurer's Report. For December 2019 the City recorded \$244,000 of revenue and \$931,000 of expenses for a net deficit of \$687,000. Major expenses during the month included the annual Maryland State Retirement contribution of \$255,000 and paving of \$190,000. Year to date the City has recorded \$5.1 Million in revenues and \$4.1 million in expenses for a net surplus of \$1 million. **Councilor Outen moved to accept the Treasurer's Report as presented, Councilor Miciotto seconded, and the motion passed on a vote of five to zero.**

Chief Swafford delivered his report on behalf of the Police Department and Code Enforcement.

- Code Enforcement has completed 805 cases year to date.
- There were 28 part one crimes and 1155 traffic violations cited. There were 2527 total calls for the month of December.
- Officer Spencer Weisberg's funeral will be held on Saturday.

City Manager Psota delivered his report.

- Wicomico County Executive Bob Culver will be holding a Town Hall meeting at Fruitland City Hall, January 23, 2020 at 6:00 p.m.
- The City was notified of Project Open Space funding final approval and so Public Works will move forward with bidding out the City Parks parking lot maintenance paving projects.
- City Manager Psota thanked Public Works Director Gibbons for the LED lighting rebate upgrade at City Hall.
- Sustainable Communities Committee is in the final stages of submitting the application needed for the City to be designated by the State as a "Sustainable Community". Council President Kerr thanked City Manager Psota for all his work.

Public Works Director Gibbons delivered his report.

- A. C. Schultes is starting work on rehabbing water production well # 1. Upon completion, well # 4 will be next to be rehabbed.
- 200 more Cellular water meters will be installed next week.

UNFINISHED BUSINESS

1. **Paid Bills**

President Kerr acknowledged receipt of the paid bill report. **On a motion made by Treasurer Carey and seconded by Councilor Hammond the paid bills were approved by a vote of five to zero.**

2. **Other**

City Manager Psota advised that MDE has completed its review and approved the awarding of the new production well bid to Somerset Well Drilling. Katherine McAllister advised that there is typically a delay between the State's Finance office and the Board of Public Works. The MDE Finance office has approved the loan but the project has not been approved by the Board of Public Works. The City must award the bid to Somerset Well Drilling by January 29, 2020. A conference call to clarify any finance questions the State may have of the City will be held tomorrow with City staff and MDE. After which, the City should have an indication as to any foreseeable loan issues. **On a motion made by Councilor Outen to award the bid to Somerset Well Drilling unless an adverse report is received from City Manager Psota based on conference call tomorrow, seconded by Treasurer Carey, the motion was approved by a vote of five to zero.**

NEW BUSINESS

1. **Swear in New Officers**

City Clerk Thomas administered the oath of office to Officer Plummer and Officer Swanger.

2. **Fruitland Little League Donation**

This item was deleted from the agenda.

3. **Seized Funds Conversion**

Chief Swafford asked to utilize \$10,257 from the Fruitland Police Department seized funds account. He would like to use the funds to purchase an annual subscription with Lexipol, a policy management and liability reduction system. Lexipol provides legally reviewed and accreditation ready policies, along with policy training, revision and update management and documentation. Lexipol is considered as a sole source purchase/subscription due to the unique service offered. **On a motion made by Councilor Miciotto to move \$10,257 from seized funds and purchase Lexipol as described, seconded by Treasurer Carey, the motion was approved by a vote of five to zero.** Chief Swafford also requested to utilize \$12,249 from the seized funds account to finish outfitting seven police vehicles with Truck Vault brands vehicle vaults. The vaults would be installed by Blue Tech, which is the same company that has installed the other City police vehicle vaults. Chief Swafford is requesting to use the remaining seized fund account surplus of \$4087.37 and an additional \$8,161.63 of seized funds that have been cleared by the courts for use by the Fruitland Police Department to fund the purchase. The property record numbers for these seized funds will be provided to the Finance Department and the City Clerk by the Police Department. **On a motion made by Councilor Miciotto to transfer the seized funds in the amount of \$12,249 to purchase seven truck vaults through the company Blue Tech, that was named the sole source, seconded by Councilor Outen, the motion was approved by a vote of five to zero.** City Manager Psota advised that Blue Tech and Lexipol are both sole source providers.

4. Resolution # 7 – DOOI Resolution for Water Quality Bond

City Solicitor Mitchell read Resolution # 7, which is a Resolution of the City Council of the City of Fruitland for the purpose of making a declaration of official intent pursuant to U.S. Treasury Regulation Section 1.150.2 regarding City of Fruitland's (the "City") intention to reimburse from the proceeds of one or more obligations to be issued by the City those prior expenditures made in connection with the water supply system upgrades project. **On a motion made by Treasurer Carey to accept Resolution # 7 as read by City Solicitor Mitchell, for the purpose of making a declaration of official intent to the U.S. Treasury Regulation Section 1.150.2, seconded by Councilor Hammond, the motion was approved on a vote of five to zero.**

5. Proposed Ordinance # 297 – MWQFA and the City's Water Bond

City Solicitor Mitchell advised that this is an ordinance that will provide that the City will issue bonds to be bought by the Maryland Water Quality Finance Administration (MWQFA), although the ordinance is set up so that the bonds could be bought by someone other than (MWQFA). City Solicitor Mitchell read the full title of proposed Ordinance # 297 which stated that it is an Ordinance of the City Council of the City of Fruitland (The "City Council") authorizing and empowering City of Fruitland (the "City"), for the public purpose of financing, reimbursing or refinancing costs of a water supply system improvements project and related costs as provided herein, to issue and sell from time to time, upon its full faith and credit, one or more series of (1) (A) general obligation bonds and (B) general obligation bond anticipation notes, each in an original aggregate principal amount not to exceed \$2,700,000, and (2) general obligation refunding bonds, provide that the original aggregate principal amount of any series of refunding bonds shall not exceed one hundred thirty percent (130%) of the aggregate principal amount of the bonds refunded therefrom; determining that any such series of bonds be sold to the Maryland Water Quality Financing Administration (the "Administration") by private sale, without public bidding; authorizing the approval by resolution of one or more loan agreements with the administration and, with respect to any such loan agreement, acknowledging the administration's right thereunder; making a pledge of certain revenues receivable from the State of Maryland, and acknowledging certain payment responsibilities of the City, providing that the City Council by resolution shall determine or provide for certain details of any such series of general obligation bonds, bond anticipation notes or refunding bonds (each, a "series of obligations" or "obligations"), including with respect to any debt service reserve account required by the administration; providing that any such series of general obligation bond anticipation notes or refunding bonds will be sold by private sale unless the City Council by resolution determines otherwise; pledging the City's full faith and credit and unlimited taxing power to payment of each series of obligations and providing for the imposition of ad valorem taxes upon all real and personal property within the City subject to assessment for unlimited Municipal taxation to pay each series of the obligations; identifying or providing for the determination of the sources from which debt services on any series of obligations will be payable in the first instance; authorizing the City Council by resolution to provide for post-closing modifications affecting any series of bonds or refunding bonds issued to the Administration; providing that certain actions may be taken or provided for by resolution in connection with the reissuance of any of the obligations of the City; specifying certain delegations of authority to be made by the City Council by Resolution and authorizing and directing officials and employees of the City to take certain actions providing that this title constitutes a statement of the substance of the Ordinance, and that publication of a statement of the substance of this Ordinance may be made in any appropriate format; providing that this Ordinance shall be liberally construed; and otherwise generally relating to the sale, issuance, delivery and payment of and for any such series of obligations. As there were no questions or comments Council President Kerr advised a public hearing will be set for February 11, 2020 at 7:10 p.m. **On a motion made by Councilor Miciotto to accept the first reading of Ordinance # 297 as read by City Solicitor Mitchell, seconded by Councilor Hammond, the motion was approved by a vote of five to zero.**

6. Air BNB and Short – Term Rental Discussion

City Solicitor Mitchell advised that the City should address the legal and zoning implications of unregulated short-term rentals within the boundaries of the City of Fruitland. Most are of the Air BNB variety and the Fruitland Zoning code was enacted long before any of these types of short-term rentals were popular. There are provisions in the City's

Zoning Code that deal with boarding houses, lodging houses and rooming houses, but they are different from the type of physical setup and use represented by the short-term rental of the Air BNB or Bed and Breakfast model. There are provisions in the Code which may be applied to the Air BNB model, but there are no provisions specifically tailored to that type of use. The Council all agreed to have the Planning Commission look into the matter.

7. Sewer Pump Rebuild- Clyde Avenue- Quote Approval

Public Works Director Gibbons asked for approval to rebuild a Clyde Avenue pump station sewer pump by the company "Pump N Power" for the amount of \$14,509. Pump N Power is the only company in the region that rebuilds and can pressure test the City's sewer system pumps, so they are considered a sole source. City Manager Psota concurred that Pump N Power would be a sole source vendor. **On a motion made by Treasurer Carey to approve the Clyde Avenue sewer pump rebuild from Pump N Power, as a sole source, not to exceed \$15, 000 seconded by Councilor Miciotto, the motion was approved by a vote of five to zero.**

8. Water Reserve, Sewer Reserve and Sanitation Fees transferred to Property Tax Bill

Deputy Treasurer Swift advised that the current structure of the quarterly utility bill is divided with regard to the period covered. For example, the recently mailed utility bills is for the water and sewer usage, plus Bay restoration fees for the months of October, November and December. However, the reserve and sanitation fees are billed in advance for the months of January, February and March. This has caused problems for residents as well as the finance department when transfers and other adjustments are made. In preparation for the upcoming change in the accounting system the finance department has two changes that he would like to present to the Council. Approval now will allow the necessary accounting software preparations to take effect July 1, 2020.

The first change would be to move water and sewer reserves fees to the annual real estate tax bill as a separate line. This would more accurately assign the economic responsibility to the property owner of record. The second change is to move the sanitation fee to the annual real estate tax bill as a separate line item. Should both proposed changes be made, the minimum quarterly utility bill will go from \$244.25 to \$165.00. The annual real estate tax bill would increase \$317.00 or \$26.42 a month for those with a mortgage. To be clear, the actual rates and fees that the City charges for taxes, water/sewer usage, sanitation, and reserve fees will not increase or change in any way. Only the frequency of the reserves and sanitation fee billings will change.

A discussion followed among the Council. The Council would like to hold an unadvertised public hearing to discuss the matter with residents and homeowners. City Manager Psota advised that he present a press release to be published. The public hearing discussion will be held at the February Council Meeting, February 11, 2020.

Public Comment/General Discussion

Council President Kerr stated that she was proud of all the accomplishments Officer Weisberg had achieved during his short time as an Officer for the City of Fruitland.

With no further business to discuss, **Councilor Miciotto made a motion to adjourn at 8:23 p.m., seconded by Treasurer Carey, the motion was approved by a vote of five to zero.**

Raye Ellen Thomas
Raye Ellen Thomas / City Clerk
Approved, February 11, 2020